

Message Text

UNCLASSIFIED

PAGE 01 BONN 18325 251826Z

73

ACTION EUR-12

INFO OCT-01 ISO-00 TRSE-00 OMB-01 SEC-01 CIEP-02 FRB-01

EB-07 SP-02 H-02 L-02 CIAE-00 INR-07 NSAE-00 RSC-01

/039 W

----- 105564

R 251817Z NOV 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6450

UNCLAS BONN 18325

PASS TREASURY AND SEC

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: GERMAN MUTUAL FUNDS IN THE US

1. THE FINANCE MINISTRY HAS APPROACHED US AND REQUESTED US GOVERNMENT SUPPORT IN OVERCOMING DIFFICULTIES THE UNION INVESTMENT COMPANY, A GERMAN MUTUAL FUND, HAS WITH THE SEC IN GAINING PERMISSION TO SELL ITS FUND IN THE UNITED STATES. THE UNION INVESTMENT COMPANY IS REPRESENTED IN WASHINGTON BY DR. OPPENHEIMER OF THE LAW FIRM OF LEVER, HAWER, SYMINGTON AND OPPENHEIMER (TELEPHONE 2988020) WHO IS FULLY FAMILIAR WITH ALL OF THE DETAILS OF THE PROBLEM. WE UNDERSTAND THAT DR. OPPENHEIMER HAS BEEN IN TOUCH WITH THE SEC AS WELL AS WITH CHAIRMAN JOHN MOSS OF THE HOUSE SUBCOMMITTEE ON COMMERCE AND FINANCE.

2. AT ISSUE IS A QUESTION WHETHER SEC REGULATIONS CAN BE INTERPRETED IN SUCH A MANNER AS TO ALLOW SALES OF THE GERMAN MUTUAL FUND IN THE US. THE FINANCE MINISTRY HAS ALSO WRITTEN TO MR. ROBERT AUGENBLICK, THE PRESIDENT OF THE INVESTMENT COMPANY INSTITUTE IN WASHINGTON AND REMINDED BOTH HIM AND US OF THE GREAT AND SUCCESSFUL EFFORTS WHICH THE GERMAN AUTHORITIES HAVE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 18325 251826Z

MADE TO "BEND" THE GERMAN FOREIGN MUTUAL FUND LAW SO

AS TO MAKE POSSIBLE THE SALE OF US MUTUAL FUNDS IN GERMANY. DURING THOSE NEGOTIATIONS REPRESENTATIVES OF THE SEC ASSURED THE GERMAN AUTHORITIES THAT THEY IN TURN WOULD FACILITATE TO THE MAXIMUM EXTENT POSSIBLE PERMISSION FOR GERMAN FUNDS TO SELL IN THE US IF AND WHEN THIS SHOULD BECOME A REAL POSSIBILITY. (AT THE TIME THE US INTEREST EQUALIZATION TAX MADE THE QUESTION LARGELY HYPOTHETICAL.) THE FINANCE MINISTRY BELIEVES THAT IN THE LONG RUN THE PRESENT LIBERAL INTERPRETATION OF GERMAN REGULATION OF US FUNDS COULD NOT BE MAINTAINED IF THE SALE OF INVESTMENT CERTIFICATES BETWEEN GERMANY AND THE USA REMAINS A ONE WAY STREET. IT HAS ALSO WRITTEN TO THE GERMAN EMBASSY IN WASHINGTON REQUESTING THAT THE EMBASSY HELP TO OVERCOME THE PRESENT DIFFICULTIES OF THE UNION INVESTMENT COMPANY WITH THE SEC.
HILLENBRAND

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MUTUAL FUNDS, INVESTMENT PROGRAMS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN18325
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740341-1071
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741116/aaaaanaq.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUN 2002 by chicheje>; APPROVED <20-Nov-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GERMAN MUTUAL FUNDS IN THE US
TAGS: EFIN, GE, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005